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Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 CIAE-00 DODE-00 DOTE-00
FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06
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TO SECSTATE WASHDC 5197
INFO AMEMBASSY BRUSSELS
AMCONSUL LENINGRAD
AMEMBASSY LONDON
MARAD WASHDC
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AMEMBASSY PARIS
AMEMBASSY TOKYO

C O N F I D E N T I A L MOSCOW 3543

E.O. 11652: GDS
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SUBJECT: USSR-WESTERN MARITIME RELATIONS

REF: (A) 76 MOSCOW 16847, (B) 76 MOSCOW 14340

SUMMARY: THE JAPANESE REPORTEDLY ARE UNHAPPY WITH THE INCREASING COSTS OF CONTAINER TRANSPORT ON THE TRANS SIBERIAN LAND BRIDGE. A SECOND JAPANESE CONTAINER SHIP IS NOW TO ENTER SERVICE BETWEEN JAPAN AND THE SOVIET PORT OF NAKHODKA. FRENCH EFFORTS TO GET AN EQUAL SHARE OF MARINE INSURANCE IN THE FRENCH-SOVIET TRADE ARE STILL BEING FRUSTRATED. AND UK SHIPS ARE EXPERIENCING MORE SERIOUS PROBLEMS WITH TURNAROUND TIME IN THE PORT OF LENINGRAD. END SUMMARY.

1. AT A MEETING ON MARCH 16 OF AN INFORMAL GROUP OF WESTERN EMBASSY OFFICERS CONCERNED WITH TRANSPORT, EMBOFF
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WAS INFORMED OF THE FOLLOWING MATTERS OF INTEREST ON MARITIME AFFAIRS.

2. JAPANESE SCIENCE OFFICER (SASAYA) INFORMED THAT THE JAPANESE ARE EXPERIENCING TWO PRINCIPAL PROBLEMS WITH THE TRANS-SIBERIAN LAND BRIDGE CONTAINER SERVICE. FIRST, NOT ENOUGH CONTAINERS ARE MOVING TO THE EAST. FOR

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EXAMPLE, LAST DECEMBER, 5,566 CONTAINERS MOVED OUT FROM JAPAN TO SIBERIA WHEREAS ONLY 2,293 MOVED TOJAPAN. SECOND, LAST DECEMBER, A GROUP OF JAPANESE SHIPOWNERS NEGOTIATED A NEW PROTOCOL CONCERNING CONTAINER SERVICE WHICH, INTER-ALIA, PROVIDED FOR AN INCREASE, AS OF APRIL 1977, IN THE RATE FOR SHIPMENT ON THE LAND BRIDGE OF A 20 FOOT CONTAINER FROM $178.50 TO $202.00, AND FOR RETURNING EMPTY CONTAINERS FROM $45 TO $55. THE PRICE INCREASE IS NOW BEING CRITICIZED IN JAPAN AS IT APPARENTLY MAKES THE SERVICE FAR LESS ATTRACTIVE. ALSO UNDER THE PROTOCOL, A SECOND JAPANESE CONTAINER SHIP (425 CONTAINER CAPACITY) WILL GO INTO SERVICE BETWEEN JAPAN AND NAKHODKA IN APRIL 1977. FIVE SOVIET SHIPS ARE NOW IN SERVICE ON THE ROUTE. A REVENUE POOLING AGREEMENT NOW EXISTS REPORTEDLY BASED ON THE NUMBER OF SHIPS INVOLVED IN THE TRADE. CARGO CARRIAGE BY 1980 IS TO BE SHARED 50-50. THE JAPANESE HAD WANTED ONE SOVIET SHIP TAKEN OUT OF THE SERVICE BUT HAD TO SETTLE FOR THE ADDITION OF ONE MORE JAPANESE CONTAINER SHIP.

2. FRENCH COMMERCIAL OFFICER (GELENIE) REPORTED THAT THE FRENCH HAVE RECEIVED NO SATISFACTION IN THEIR EFFORTS TO WIN AN EQUAL SHARE OF THE MARINE INSURANCE IN BILATERAL TRADE. ONE HUNDRED PERCENT OF FRENCH SALES TO THE USSR ARE SOVIET INSURED AND LIKEWISE TWO-THIRDS OF FRENCH IMPORTS. AS USUAL, SOVIET SALES ARE CIF AND PURCHASES ARE FOB. AFTER INITIAL MEETINGS BETWEEN FRENCH INSURANCE COMPANIES AND INGOSSTRAKH, THE FRENCH LAST FALL SOUGHT BILATERAL RALKS WITH THE MINISTRIES OF FOREIGN TRADE AND CONFIDENTIAL

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FINANCE. THE SOVIETS INITIALLY WERE POSITIVE (REFTEL A) BUT NOW HAVE TOLD THE FRENCH EMBASSY THAT THE FRENCH COMPANIES MUST AGAIN APPROACH INGOSSTRAKH. THE FRENCH THINK THE SOVIETS SIMPLY ARE AVOIDING THE ISSUE BY GIVING CONFLICTING SIGNALS.

3. UK ECONOMIC OFFICER (DIMOND) INFORMED THAT THE WORKING GROUP OF THE UK-USSR MARITIME COMMISSION MEETS NEXT WEEK PRIOR TO THE COMMISSION MEETING SET FOR MID-MAY. MAIN SUBJECTS ON THE UK SIDE WILL BE THE INCREASINGLY BAD SITUATION REGARDING TURNAROUND TIME FOR UK SHIPS IN LENINGRAD AND THE SETTING OF A NEW RATE ON SHIPPING TO THE BALTIC. THIS RATE IS SET ANNUALLY, AND THE ISSUE IS EXPECTED TO BE DIFFICULT.

4. BELGIAN ECON COUNSELOR (DUQUE) INFORMED THAT THE BELGIAN-SOVIET MARITIME COMMISSION HAD JUST MET SUCCESS-FULLY. THERE ARE NO SERIOUS PROBLEMS SINCE THE BELGIAN MERCHANT MARINE IS RELATIVELY SMALL AND BELGIAN COMPANIES

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ARE SATISIFIED. NONETHELESS THE SHIPPING IS QUITE IMBALANCED. IN 1975, 976 SOVIET OCEAN VESSELS CALLED AT BELGIAN PORTS WITH THE NUMBER IN 1976 RISING TO 1,090. THE COMPARABLE FIGURES FOR BELGIAN SHIPS IN SOVIET PORTS WERE 27 AND 38, RESPECTIVELY.

5. COMMENT: THE FRENCH PROBLEMS IN GETTING THE SOVIETS TO OFFER EQUAL TREATMENT ON MARINE INSURANCE SEEM VERY SIMILAR TO OURS. THE FRENCH WERE RELATIVELY OPTIMISTIC OF A SOLUTION LAST YEAR BUT NOW SEEM RESIGNED TO A LONG STRUGGLE.
TOON

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